



Dear Prospective Applicant,

Thank you for applying to the Indiana Office of Energy Development (OED) 2010 Hoosier Efficiency Loan Program (HELP). HELP is a program that offers financial assistance to commercial and industrial businesses for projects that reduce a facility's energy consumption. HELP loans are structured so repayment is tied to actual savings from energy conservation measures.

This document is intended to provide guidance and assist in completing the accompanying application. Included in this guidance are the HELP Guidelines, Awardee Responsibilities, and Terms and Conditions.

HELP applications may be submitted anytime between April 5, 2010 – May 24, 2010. All applications will be reviewed competitively following the close of the grant application period on May 24, 2010. You will be notified if any information is missing or if more information is required for a complete analysis during the review process. The review process can be lengthy, but you are welcome to call or e-mail for progress reports from time to time.

Please address all correspondence to:

Indiana Office of Energy Development
Attn: Kristen Trovillion
One North Capitol, Suite 600
Indianapolis, IN 46204

Sincerely,

Kristen Trovillion
Energy Efficiency Program Manager
ktrovillion@oed.in.gov

HOOSIER EFFICIENCY LOAN PROGRAM

Program Guidelines

American Recovery and Reinvestment Act (ARRA)

The American Recovery and Reinvestment Act of 2009, Public Law 111-5, appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants to states, U.S. territories, units of local government, and Indian tribes under the State Energy Program. DOE's authorization for this program is set forth in Title V, Subtitle E of the Energy Independence and Security Act (EISA) of 2007.

Projects under this announcement will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or Act). The Recovery Act's purposes are to stimulate the economy and to create and retain jobs. The Act gives preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds made available by it for activities that can be initiated not later than June 17, 2009. Due to the schedule of this Funding Opportunity Announcement, this date does not impact activities in the Hoosier Efficiency Loan Program. Accordingly, special consideration will be given to projects that promote and enhance the objectives of the Act, especially job creation, preservation and economic recovery, in an expeditious manner.

Be advised that special terms and conditions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring that iron, steel and manufactured goods are produced in the United States;
- Ensuring wage rates are comparable to those prevailing on projects of a similar character;
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and Registration.

These special terms and conditions will be based on provisions included in Titles XV and XVI of the Act. These Special Provisions are located at

http://management.energy.gov/business_doe/business_forms.htm.

Recipients of funding appropriated by the Act shall comply with requirements of applicable Federal, State, Tribal and local laws, regulations, DOE policy and guidance, and instructions in this announcement, unless relief has been granted by DOE. Recipients shall flow down the requirements of applicable Federal, State, Tribal and local laws, regulations DOE policy and guidance, and instructions in this announcement to sub recipients at any tier to the extent necessary to ensure the recipient's compliance with the requirements.

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related OMB Guidance. Applicants for projects funded by sources other than

HOOSIER EFFICIENCY LOAN PROGRAM

the Recovery Act should plan to keep separate records for Recovery Act funds and to ensure those records comply with the requirements of the Act. Funding provided through the Recovery Act that is supplemental to an existing grant is one-time funding.

Program Summary

Energy efficient retrofits of existing structures help conserve energy and manage costs. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to decrease energy consumption and lower long term energy costs. Indiana's HELP fund will provide low-interest loans for Indiana's commercial and industrial users for the purchase and installation of energy efficient technology as outlined in this document.

The purpose of the Hoosier Efficiency Loan Program is to assist eligible entities in creating and implementing strategies to:

- increase energy efficiency, reduce energy consumption and reduce energy costs through efficiency improvements;
- reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- create new jobs and increased productivity to spur economic growth and community development; and
- leverage the resources of federal, state and local governments, utilities and utility regulators, private sector and non-profit organizations to maximize the resulting energy, economic and environmental benefits.

Loan Terms

The Hoosier Efficiency Loan Program will provide low-interest loans to industrial and commercial energy users in Indiana. The minimum loan request is \$50,000 with a maximum loan request of \$500,000. The interest rate is fixed at 4% with a maximum repayment period of 10 years. It is expected that all projects financed through this program will have an energy savings such that the initial investment will be recouped within 10 years.

An application fee of \$300 is required of every HELP applicant, regardless of size of project or selection for award. This fee offsets the underwriting and administrative costs of the program, and ensures that the fund will sustain itself to provide future low-interest loans for energy efficiency. The fee must be remitted prior to May 24 (postmarked no later than May 24) in order to ensure the eligibility of your application. Fees may be remitted via check made payable to the State of Indiana, and mailed to the following address:

Indiana Office of Energy Development
Attention: Kristen Trovillion
One North Capitol, Suite 600
Indianapolis, IN 46204

HOOSIER EFFICIENCY LOAN PROGRAM

Program Eligibility

Eligible applicants include:

- ☐ Commercial Applicants
 - Proposed project facility must be at least 30,000 sq ft and have annual energy expenditures of at least \$30,000
 - Applicant must be the entity responsible for payment of utility bills
 - Applicant must be incorporated in the State of Indiana
- ☐ Industrial Applicants
 - Proposed project facility must have annual energy expenditures of at least \$100,000
 - Company must meet the definition of industry by having a [North American Industry Classification System \(NAICS\)](#) designation of 22, 31-33, 48, 49.
 - Applicant must be the entity responsible for payment of utility bills
 - Applicant must be incorporated in the State of Indiana

All proposed projects must meet all of the following criteria:

- ☐ Project must be located in Indiana.
- ☐ Project must be in a building (or in a number of buildings) owned by applicant.
- ☐ Project must meet one or more of the following criteria:
 - Demonstrate measurable improvements in energy efficiency;
 - Result in a reduction in energy demand;
 - Implement an energy recycling process, such as waste-heat recovery.
- ☐ Project must use existing reliable, commercially-available technologies.
- ☐ Project must be limited to activities that have been previously approved under the National Environmental Policy Act (NEPA) or are otherwise categorically exempt from further NEPA review. These activities include: lighting, lighting controls/sensors, chillers, furnaces, boilers, heat pumps, building insulation, windows, doors, energy management systems/controls, energy efficient compressed air, pumps, and motors.
- ☐ Project must have a simple payback period of 10 years or less. (Please refer to the Project Budget Worksheet for directions on payback calculations.)
- ☐ In addition, all applicants must be in compliance with state and federal rules and regulations. To find out what permits may be necessary for your business, visit the IDEM Permit Wizard at <http://www.in.gov/idem/4218.htm>.

HOOSIER EFFICIENCY LOAN PROGRAM

Application Instructions

Only complete applications will be allowed to be submitted. The application must be completed and submitted through OED's online grant portal. Applications submitted through other means will not be accepted. Only signature pages and financial documents may be submitted via mail.

The grant portal will request several attachments to be uploaded. Please include only one attachment per section. For example, if you are asked to provide equipment information, it should be in one .pdf file, even if there are multiple pages.

The applicant is responsible for all costs and expenses associated with submitting this proposal. Administrative costs will not be reimbursed.

OED may request additional information after submission from an applicant to further evaluate an application. Failure to adequately address the request will cause OED to score the application as is, which could affect an applicant's overall score and/or eligibility.

OED expressly reserves the right to modify or withdraw this request for applications at any time, whether before or after applications have been submitted.

Professional Engineer

A licensed Professional Engineer (P.E.) must approve the estimates underlying the calculations on the Energy Worksheet. Failure to do so may result in an Applicant being removed from consideration for loan approval.

Financial Documents

Applicants are expected to submit all requested financial materials. Applicants are also expected to provide additional financial documentation, as requested by OED. Failure to do so may result in an applicant being deemed ineligible to receive loan funding. While applicants should use the online Grant Management System to upload the financial documents, OED will accept paper copies at the applicant's request. Applicants interested in submitting financial documentation via mail should contact the program manager.

NEPA

All projects receiving financial assistance from DOE must be reviewed under the National Environmental Policy Act (NEPA) of 1969-42 U.S.C. Section 4321 et seq. Projects must be limited to activities that have been previously approved under NEPA or are otherwise categorically exempt from further NEPA review. These activities include: lighting, lighting controls/sensors, chillers, furnaces, boilers, heat pumps, building insulation, windows, doors, energy management

HOOSIER EFFICIENCY LOAN PROGRAM

systems/controls, energy efficient compressed air, pumps, and motors.

Historic Preservation (Section 106 Review)

The Section 106 process determines whether a property is historic (one that is either listed in or eligible for inclusion in the National Register of Historic Places) and to insure work doesn't significantly and unnecessarily alter, damage, or destroy both above and below ground historic and/or cultural resources. Federal financial assistance (grants or loans) triggers the Section 106 review, and all applicants must undergo the Section 106 review process. Please see the document entitled "HELP Section 106 Review Process Package" in the area where all the other Indiana HELP documents are posted for further guidance about starting the Section 106 process. If an applicant fails to undergo this process, the project will be deemed ineligible and not considered for funding. Ignoring additional requests for information from SHPO could jeopardize a project's eligibility as well.

Davis Bacon Act

All projects receiving financial assistance from DOE must be compliant with the Davis Bacon Act. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

OED will **not** allow program funds to be used by loan recipients for administrative purposes. OED will sub-contract directly with third parties familiar with Davis-Bacon requirements to monitor wage rates and weekly payroll for loan recipients.

DUNS Number

If your organization does not have a DUNS number, go to the Dun & Bradstreet (D&B) online registration located at <http://fedgov.dnb.com/webform/displayHomePage.do> to receive a number free of charge or call 1-800-234-3867. Please be aware that this process may take up to 10 days. All applicants must have a DUNS number to be eligible.

Buy American

The American Recovery and Reinvestment Act (ARRA) encourages, but does not require that all products and materials purchased with ARRA funds comply with the Buy American clause.

HOOSIER EFFICIENCY LOAN PROGRAM

Evaluation and Award Process

Scoring Criteria

Applications shall be considered for loan approval upon completion of the administrative and technical review. Approval shall be based upon the following:

- Results of the administrative and technical review documenting energy efficiency; and
- Creditworthiness of the applicant.

The following criteria, among others, will be considered during the administrative and technical review:

- Energy savings
- Energy cost savings
- Grant experience
- Energy Conservation Strategy or Sustainability Initiatives
- Jobs created and/or retained
- Ability to start and complete project within the timeframe specified in this document

Following the administrative and technical review, applicants still being considered for loan approval will undergo a financial review. In addition to materials provided in the initial application, OED will require the applicant to submit supplementary financial documents, including, but not limited to a form 4506-T.

Awards

OED anticipates awarding between 5-10 loans in the initial offering of the HELP revolving loan program. OED expects to notify awardees within 4-6 weeks following the close of the loan application period.

Please be aware that partial funding can be awarded, and applicants awarded funding may not appeal the decision made by OED. Only one application per applicant will be accepted, but multiple projects can be included in one application as long as all of the projects are within the program guidelines.

If awarded, the applicant must inform OED of refusal of funds within two weeks from original notification of award. Failure to notify OED of the refusal of funds will result in the applicant becoming ineligible for further evaluation of HELP funding.

Loan recipients may receive up to one hundred percent (100%) of the total project cost through reimbursement from the state. This means that after the Agreement has been executed through the

HOOSIER EFFICIENCY LOAN PROGRAM

state signature process the Borrower may incur loan related expenditures, submit the appropriate reimbursement documentation to OED, and be reimbursed in the amount of the qualified invoices submitted. Appropriate documentation must include an invoice for related expenditures with a zero balance remaining.

HOOSIER EFFICIENCY LOAN PROGRAM

Application Checklist

Complete HELP applications will include all of the following loan application supporting materials:

- ☐ Attachment A: Project Description (titled A_Name of Company)
- ☐ Attachment B: Energy Conservation Strategy (titled B_Name of Company)
- ☐ Attachment C: Building Information Worksheet (titled C_Name of Company)
- ☐ Attachment D: Economic Performance Worksheet (titled D_Name of Company)
- ☐ Attachment E: Project Timeline (titled E_Name of Company)
- ☐ Attachment F: SHPO Process (titled F_Name of Company)
- ☐ Attachment H: Signature Page (titled H_Name of Company)
- ☐ Application Fee

While not mandatory, you are recommended to also include:

- ☐ Attachment G: Feasibility Study (titled G_Name of Company)

HOOSIER EFFICIENCY LOAN PROGRAM

Financial Review Package Checklist

Complete HELP applications will include all of the following business and financial materials:

- ☐ By-laws of the Borrower
- ☐ Officers' Certificate certifying all information submitted is true and correct
- ☐ Lender's term sheet and commitment letter for any additional financing related to this transaction
- ☐ Summary indentifying and explaining all relationships between Borrower, Parent Company, and/or all Affiliates
- ☐ Articles of Incorporation
- ☐ Copy of Certificate of Existence or Good Standing from the Indiana Secretary of State
- ☐ Proof of Ownership of Building
- ☐ Five years of complete Business Financial Statements from the Borrower and Parent Company if applicable. (balance sheet, income statement, cash flow statement, and material notes)
- ☐ Five Years complete Federal Income Tax Returns for Borrower and Parent Company if applicable (Corporate) (2005-2009)
- ☐ Borrower's, and Parent Company's if applicable, Projected Financial Statements for the next three (3) fiscal years accompanied by a detailed explanation of the assumptions.
- ☐ Lease information (other equipment, building, auto, etc)
- ☐ Interim Financial Statement (Corporate) dated within 90 days of application. This should include a Balance Sheet and a year-to-date Income Statement
- ☐ A Business Debt Schedule footing to the long-term obligations reflected in the Interim Financial Statement
- ☐ Business Plan-The explanation of risk factors should discuss demand, competition, future opportunities, industry changes, obsolescence, and economic trends.

Personal Guarantor Documents:

- ☐ Personal financial statement dated within the past year
- ☐ Resumes or professional profiles of all principals of the Borrower, and Parent Company if applicable, as Guarantors for the loan
- ☐ Guarantor's complete Federal Income Tax Returns for the preceding three (3) years
- ☐ Debt schedule listing all contingent liabilities for all principals with a 10% or greater ownership interest

HOOSIER EFFICIENCY LOAN PROGRAM

Attachment Guidelines

Attachment A: Project Description

Please describe your organization's proposed project on a separate page (titled: A_ Name of Company). Please provide a narrative summary of the proposed project, and include a detailed breakdown of project costs, project energy savings, and planned project equipment. Please include technical sheets for specific proposed equipment, if available. In addition, please describe how you intend to monitor or maximize the efficiency and performance of the installed equipment, if appropriate. This information will be used to determine the feasibility of the proposed project for loan funding. Please scan, if necessary, and combine all of the information and technical sheets into one .pdf attachment.

Attachment B: Energy Conservation Strategy

The process of becoming more energy efficient should not be limited to a one-time capital expenditure. Please provide a summary outlining your organization's current or planned energy conservation strategy or sustainability initiatives in a separate attachment (titled: B_ Name of Company).

Attachment C: Building Information Worksheet

Please describe the general condition of the building or complex (e.g., age of structures and major mechanical systems) that would receive energy conservation improvements in a separate attachment. If proposed project will impact multiple buildings, please provide a worksheet and description for each building. To do this, please copy and paste the above worksheet into the attachment (titled: C_ Name of Company).

Attachment D: Economic Performance Worksheet

Please provide an itemized budget that accounts of equipment and labor expenses that would be funded by this loan request on a separate page (titled: D_ Name of Company). Be sure to include at least the following budget categories: Equipment, Engineering, Site Preparation, Labor Expenses. More detail is encouraged.

HOOSIER EFFICIENCY LOAN PROGRAM

Attachment E: Project Timeline

Please provide a brief analysis of any risks that could affect the readiness of your proposed project in a separate attachment (titled: E_ Name of Company). Do not consider inadequate funding as a risk for this purpose.

Attachment F: Section 106 Assurance

Please provide an attachment (titled: F_ Name of Company), which demonstrates that you have started the Section 106 review process. For example, an appropriate example would be a copy of the signed letter sent to the State Historic Preservation Office (SHPO) to initiate the review process.

Attachment G: Feasibility Study

As an optional attachment (titled: G_ Name of Company), you may choose to include an electronic copy of the feasibility study or energy audit that is guiding your project.

Attachment H: Signature Page

Please provide as an attachment (titled: H_ Name of Company) a signed copy of the signature page. To do this, print out, sign, and scan into a .pdf document the Signature Page document located at : <http://www.in.gov/oed/2583.htm>.

HOOSIER EFFICIENCY LOAN PROGRAM

Financial Attachments

Please follow the following naming convention when labeling and submitting your financial attachments.

File Name of Attachment	Description of Attachment
A1_Name of Company	By-laws of the Borrower
A2_Name of Company	Officers' Certificate certifying all information submitted is true and correct
A3_Name of Company	Lender's term sheet and commitment letter for any additional financing related to this transaction
A4_Name of Company	Summary indentifying and explaining all relationships between Borrower, Parent Company, and/or all Affiliates
A5_Name of Company	Articles of Incorporation
A6_Name of Company	Copy of Certificate of Existence or Good Standing from the Indiana Secretary of State
A7_Name of Company	Proof of Ownership of Building
A8_Name of Company	Five years of complete Business Financial Statements from the Borrower and Parent Company if applicable. (balance sheet, income statement, cash flow statement, and material notes)
A9_Name of Company	Five Years complete Federal Income Tax Returns for Borrower and Parent Company if applicable (Corporate) (2005-2009)
A10_Name of Company	Borrower's, and Parent Company's if applicable, Projected Financial Statements for the next three (3) fiscal years accompanied by a detailed explanation of the assumptions.
A11_Name of Company	Lease information (other equipment, building, auto, etc)
A12_Name of Company	Interim Financial Statement (Corporate) dated within 90 days of application. This should include a Balance Sheet and a year-to-date Income Statement

HOOSIER EFFICIENCY LOAN PROGRAM

A13_Name of Company	A Business Debt Schedule footing to the long-term obligations reflected in the Interim Financial Statement
A14_Name of Company	Business Plan-The explanation of risk factors should discuss demand, competition, future opportunities, industry changes, obsolescence, and economic trends.
A15_Name of Company	Personal financial statement dated within the past year
A16_Name of Company	Resumes or professional profiles of all principals of the Borrower, and Parent Company if applicable, as Guarantors for the loan
A17_Name of Company	Guarantor's complete Federal Income Tax Returns for the preceding three (3) years
A18_Name of Company	Debt schedule listing all contingent liabilities for all principals with a 10% or greater ownership interest

HOOSIER EFFICIENCY LOAN PROGRAM

Awardee Responsibilities

While the below responsibilities, terms, and conditions are not exhaustive and intended to substitute for the awardee reading and understanding of the contract between their entity and the State of Indiana, they provide an example of the behavior and deliverables expected by OED and the U.S. Department of Energy.

Reporting Requirements

The following will be collected from each recipient:

- One ARRA report each month
- One ARRA report each quarter
- One DOE report each quarter
- Final report due thirty days after loan's expiration

Quarterly reporting will commence within three months of award. The report will detail activities/results such as timelines, budget information including loan monies received, the items listed below, and a narrative on the project's progress. These results/activities are provided to OED by the loan recipient in the form of monthly and quarterly reports which are due to OED. The specifics of reporting timelines and requirements will be explained further in the contract signed by the applicant upon award. The reports will be used to track progress made by the loan recipient and to report to the U.S. Department of Energy. Please see the table below for a list of potential reporting requirements:

Jobs created/retained *
Buildings retrofitted
Square footage of buildings retrofitted
Energy Savings
Energy Cost Savings
Greenhouse gases reduced (CO2 equivalents)*
Criteria air pollutants reduced (CO2 equivalents)*

* If awarded, awardees will be provided with guidance on how to calculate these metrics.

A final progress report will be due. This final report will summarize all aspects of the project.

Please consider the reporting requirement seriously before application submission to ensure your ability for compliance.

Reporting will be done electronically and a valid email address is a required attribute of the applicant.

HOOSIER EFFICIENCY LOAN PROGRAM

Maintain Communication

The loan recipient shall maintain communication with the Office of Energy Development for the duration of the loan agreement. The loan recipient is obligated to report any changes in the project scope, budget, installation date etc. with OED as soon as they become aware of the changes. Failure of the loan recipient to report any changes in the activities, scope, or budget of their project once awarded constitutes a breach of contract on the part of the loan recipient and will jeopardize the receipt of loan monies. The loan recipient shall acknowledge the financial support of OED by displaying the logo of OED on any webpage, media, or printed materials that mention the project.

Site Visits

The loan recipient shall allow OED to conduct project site visits when given (5) business days notice.

Tax Liabilities

The loan recipient must be current on all tax liabilities owed to the Indiana Department of Revenue or the Indiana Department of Workforce Development prior to the award being finalized. OED encourages applicants to contact these agencies to determine your status prior to applying.

Modifications

Awardees must report to OED immediately if there is a change to the previously proposed activities, scope, or budget changes. The communication must occur prior to the modification and provide a rationale for proposed changes.

Additional resources

With support from the Indiana Office of Energy Development, Purdue's Technical Assistance Program has designed an Energy Efficiency & Sustainability (EES) program to help companies improve processes and develop energy management practices through workshops, on-site training, awareness events, implementation and consulting services. Companies seeking technical assistance should visit http://www.mep.purdue.edu/prod_services/greenEnergy.aspx for more information.

HOOSIER EFFICIENCY LOAN PROGRAM

Terms and Conditions

Award Approval

OED administers the HELP fund and will review and score all loan applications. All loan applications submitted will be scored competitively against one another for loan funding.

If the applicant is approved by OED, a loan agreement will be drafted in order to establish the terms of the loan and other conditions needed to manage the loan. Upon award notification, OED expects awardees to immediately begin their project by ordering equipment associated with the project as well as preparing the site of the project and obtaining any relevant permits or variances necessary for project installation to be completed. Once the awardee receives and returns the originally signed loan agreement, the agreement will begin the State's signature process, which can take up to 8 weeks for completion. Upon completing the State signature process, the award recipient may draw down on loan funds as the project is completed. Do not wait until the executed contract is returned to start project activities, as the process can significantly delay your project. Delay in contract execution is not an allowable reason for an awardee's failure to complete project installation by the deadline stipulated in the contract. Any costs incurred in this period are at the awardee's risk if the agreement is not signed and returned in this time period, no reimbursement will be made to awardee and all funds will be de-obligated.

Please see the above section entitled "Awardee Responsibilities" for further information on terms and conditions needed to manage the grant.

Confidentiality of Information

To the extent feasible and permissible by law, the Office of Energy Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a loan, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the loan to the general public. Each and every page containing proprietary data must be clearly identified and marked CONFIDENTIAL.

Indemnification

To the extend allowable by law, Applicant agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission associated with the submission of this application. The State shall **not** provide such indemnification to the applicant.